



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB1271

Introduced 2/9/2005, by Rep. Wyvetter H. Younge

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.640 new	
230 ILCS 10/13	from Ch. 120, par. 2413
230 ILCS 10/13.2 new	
230 ILCS 10/23	from Ch. 120, par. 2423

Amends the State Finance Act to create the Depressed Municipalities Fund. Amends the Riverboat Gambling Act. Imposes a supplemental tax of 0.5% of adjusted gross receipts on licensees. Provides that the moneys shall be paid into the Depressed Municipalities Fund and paid to certain low-income municipalities for infrastructure improvement projects. Effective immediately.

LRB094 09263 AMC 39497 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The State Finance Act is amended by adding
5 Section 5.640 as follows:

6 (30 ILCS 105/5.640 new)

7 Sec. 5.640. The Depressed Municipalities Fund.

8 Section 10. The Riverboat Gambling Act is amended by
9 changing Sections 13 and 23 and adding Section 13.2 as follows:

10 (230 ILCS 10/13) (from Ch. 120, par. 2413)

11 Sec. 13. Wagering tax; rate; distribution.

12 (a) Until January 1, 1998, a tax is imposed on the adjusted
13 gross receipts received from gambling games authorized under
14 this Act at the rate of 20%.

15 (a-1) From January 1, 1998 until July 1, 2002, a privilege
16 tax is imposed on persons engaged in the business of conducting
17 riverboat gambling operations, based on the adjusted gross
18 receipts received by a licensed owner from gambling games
19 authorized under this Act at the following rates:

20 15% of annual adjusted gross receipts up to and
21 including \$25,000,000;

22 20% of annual adjusted gross receipts in excess of
23 \$25,000,000 but not exceeding \$50,000,000;

24 25% of annual adjusted gross receipts in excess of
25 \$50,000,000 but not exceeding \$75,000,000;

26 30% of annual adjusted gross receipts in excess of
27 \$75,000,000 but not exceeding \$100,000,000;

28 35% of annual adjusted gross receipts in excess of
29 \$100,000,000.

30 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax

1 is imposed on persons engaged in the business of conducting
2 riverboat gambling operations, other than licensed managers
3 conducting riverboat gambling operations on behalf of the
4 State, based on the adjusted gross receipts received by a
5 licensed owner from gambling games authorized under this Act at
6 the following rates:

7 15% of annual adjusted gross receipts up to and
8 including \$25,000,000;

9 22.5% of annual adjusted gross receipts in excess of
10 \$25,000,000 but not exceeding \$50,000,000;

11 27.5% of annual adjusted gross receipts in excess of
12 \$50,000,000 but not exceeding \$75,000,000;

13 32.5% of annual adjusted gross receipts in excess of
14 \$75,000,000 but not exceeding \$100,000,000;

15 37.5% of annual adjusted gross receipts in excess of
16 \$100,000,000 but not exceeding \$150,000,000;

17 45% of annual adjusted gross receipts in excess of
18 \$150,000,000 but not exceeding \$200,000,000;

19 50% of annual adjusted gross receipts in excess of
20 \$200,000,000.

21 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
22 persons engaged in the business of conducting riverboat
23 gambling operations, other than licensed managers conducting
24 riverboat gambling operations on behalf of the State, based on
25 the adjusted gross receipts received by a licensed owner from
26 gambling games authorized under this Act at the following
27 rates:

28 15% of annual adjusted gross receipts up to and
29 including \$25,000,000;

30 27.5% of annual adjusted gross receipts in excess of
31 \$25,000,000 but not exceeding \$37,500,000;

32 32.5% of annual adjusted gross receipts in excess of
33 \$37,500,000 but not exceeding \$50,000,000;

34 37.5% of annual adjusted gross receipts in excess of
35 \$50,000,000 but not exceeding \$75,000,000;

36 45% of annual adjusted gross receipts in excess of

1 \$75,000,000 but not exceeding \$100,000,000;
2 50% of annual adjusted gross receipts in excess of
3 \$100,000,000 but not exceeding \$250,000,000;
4 70% of annual adjusted gross receipts in excess of
5 \$250,000,000.

6 An amount equal to the amount of wagering taxes collected
7 under this subsection (a-3) that are in addition to the amount
8 of wagering taxes that would have been collected if the
9 wagering tax rates under subsection (a-2) were in effect shall
10 be paid into the Common School Fund.

11 The privilege tax imposed under this subsection (a-3) shall
12 no longer be imposed beginning on the earlier of (i) July 1,
13 2005; (ii) the first date after June 20, 2003 ~~the effective~~
14 ~~date of this amendatory Act of the 93rd General Assembly~~ that
15 riverboat gambling operations are conducted pursuant to a
16 dormant license; or (iii) the first day that riverboat gambling
17 operations are conducted under the authority of an owners
18 license that is in addition to the 10 owners licenses initially
19 authorized under this Act. For the purposes of this subsection
20 (a-3), the term "dormant license" means an owners license that
21 is authorized by this Act under which no riverboat gambling
22 operations are being conducted on June 20, 2003 ~~the effective~~
23 ~~date of this amendatory Act of the 93rd General Assembly~~.

24 (a-4) Beginning on the first day on which the tax imposed
25 under subsection (a-3) is no longer imposed, a privilege tax is
26 imposed on persons engaged in the business of conducting
27 riverboat gambling operations, other than licensed managers
28 conducting riverboat gambling operations on behalf of the
29 State, based on the adjusted gross receipts received by a
30 licensed owner from gambling games authorized under this Act at
31 the following rates:

32 15% of annual adjusted gross receipts up to and
33 including \$25,000,000;

34 22.5% of annual adjusted gross receipts in excess of
35 \$25,000,000 but not exceeding \$50,000,000;

36 27.5% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$75,000,000;
2 32.5% of annual adjusted gross receipts in excess of
3 \$75,000,000 but not exceeding \$100,000,000;
4 37.5% of annual adjusted gross receipts in excess of
5 \$100,000,000 but not exceeding \$150,000,000;
6 45% of annual adjusted gross receipts in excess of
7 \$150,000,000 but not exceeding \$200,000,000;
8 50% of annual adjusted gross receipts in excess of
9 \$200,000,000.

10 (a-8) Riverboat gambling operations conducted by a
11 licensed manager on behalf of the State are not subject to the
12 tax imposed under this Section.

13 (a-10) The taxes imposed by this Section shall be paid by
14 the licensed owner to the Board not later than 3:00 o'clock
15 p.m. of the day after the day when the wagers were made.

16 (b) Until January 1, 1998, 25% of the tax revenue deposited
17 in the State Gaming Fund under this Section shall be paid,
18 subject to appropriation by the General Assembly, to the unit
19 of local government which is designated as the home dock of the
20 riverboat. Beginning January 1, 1998, from the tax revenue
21 deposited in the State Gaming Fund under this Section, an
22 amount equal to 5% of adjusted gross receipts generated by a
23 riverboat shall be paid monthly, subject to appropriation by
24 the General Assembly, to the unit of local government that is
25 designated as the home dock of the riverboat. From the tax
26 revenue deposited in the State Gaming Fund pursuant to
27 riverboat gambling operations conducted by a licensed manager
28 on behalf of the State, an amount equal to 5% of adjusted gross
29 receipts generated pursuant to those riverboat gambling
30 operations shall be paid monthly, subject to appropriation by
31 the General Assembly, to the unit of local government that is
32 designated as the home dock of the riverboat upon which those
33 riverboat gambling operations are conducted.

34 (c) Appropriations, as approved by the General Assembly,
35 may be made from the State Gaming Fund to the Department of
36 Revenue and the Department of State Police for the

1 administration and enforcement of this Act, or to the
2 Department of Human Services for the administration of programs
3 to treat problem gambling.

4 (c-5) After the payments required under subsections (b) and
5 (c) have been made, an amount equal to 15% of the adjusted
6 gross receipts of (1) an owners licensee that relocates
7 pursuant to Section 11.2, (2) an owners licensee ~~license~~
8 conducting riverboat gambling operations pursuant to an owners
9 license that is initially issued after June 25, 1999, or (3)
10 the first riverboat gambling operations conducted by a licensed
11 manager on behalf of the State under Section 7.3 ~~7.2~~, whichever
12 comes first, shall be paid from the State Gaming Fund into the
13 Horse Racing Equity Fund.

14 (c-10) Each year the General Assembly shall appropriate
15 from the General Revenue Fund to the Education Assistance Fund
16 an amount equal to the amount paid into the Horse Racing Equity
17 Fund pursuant to subsection (c-5) in the prior calendar year.

18 (c-15) After the payments required under subsections (b),
19 (c), and (c-5) have been made, an amount equal to 2% of the
20 adjusted gross receipts of (1) an owners licensee that
21 relocates pursuant to Section 11.2, (2) an owners licensee
22 conducting riverboat gambling operations pursuant to an owners
23 license that is initially issued after June 25, 1999, or (3)
24 the first riverboat gambling operations conducted by a licensed
25 manager on behalf of the State under Section 7.3 ~~7.2~~, whichever
26 comes first, shall be paid, subject to appropriation from the
27 General Assembly, from the State Gaming Fund to each home rule
28 county with a population of over 3,000,000 inhabitants for the
29 purpose of enhancing the county's criminal justice system.

30 (c-20) Each year the General Assembly shall appropriate
31 from the General Revenue Fund to the Education Assistance Fund
32 an amount equal to the amount paid to each home rule county
33 with a population of over 3,000,000 inhabitants pursuant to
34 subsection (c-15) in the prior calendar year.

35 (c-25) After the payments required under subsections (b),
36 (c), (c-5) and (c-15) have been made, an amount equal to 2% of

1 the adjusted gross receipts of (1) an owners licensee ~~license~~
2 that relocates pursuant to Section 11.2, (2) an owners licensee
3 ~~license~~ conducting riverboat gambling operations pursuant to
4 an owners license that is initially issued after June 25, 1999,
5 or (3) the first riverboat gambling operations conducted by a
6 licensed manager on behalf of the State under Section 7.3 ~~7.2~~,
7 whichever comes first, shall be paid from the State Gaming Fund
8 to Chicago State University.

9 (d) From time to time, the Board shall transfer the
10 remainder of the funds generated by this Act, except the tax
11 revenue generated pursuant to Section 13.2, into the Education
12 Assistance Fund, created by Public Act 86-0018, of the State of
13 Illinois.

14 (e) Nothing in this Act shall prohibit the unit of local
15 government designated as the home dock of the riverboat from
16 entering into agreements with other units of local government
17 in this State or in other states to share its portion of the
18 tax revenue.

19 (f) To the extent practicable, the Board shall administer
20 and collect the wagering taxes imposed by this Section in a
21 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
22 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
23 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
24 Penalty and Interest Act.

25 (Source: P.A. 92-595, eff. 6-28-02; 93-27, eff. 6-20-03; 93-28,
26 eff. 6-20-03; revised 1-28-04.)

27 (230 ILCS 10/13.2 new)

28 Sec. 13.2. Supplemental tax.

29 (a) Beginning January 1, 2006, there is imposed a
30 supplemental tax on the adjusted gross receipts of each
31 licensed owner conducting gambling operations under this Act at
32 the rate of 0.5% of adjusted gross receipts. The tax imposed
33 under this Section shall be due and payable on the last day of
34 April next following the end of the calendar year. The State
35 Treasurer shall have a lien against the property constituting

1 the riverboats and on-shore facilities owned by a licensee for
2 the amount of any tax not paid when due.

3 (b) Each licensee shall pay to the State Treasurer on or
4 before the 15th day of the first, fourth, seventh, and tenth
5 months of each year as partial payments of the supplemental tax
6 imposed under subsection (a) an amount equal to 0.25% of the
7 estimated gross receipts for the 3-month period immediately
8 preceding the first day of those months. The moneys received
9 from a licensee shall be placed in that licensee's special
10 account within the Depressed Municipalities Fund, which is
11 hereby created as a Special Fund in the State Treasury. Moneys
12 in an account in the Fund shall be paid to municipalities that
13 are (1) located in the county where the riverboat that paid
14 into that account docks or in a county that is contiguous to
15 that county, and (2) in the bottom 10% in per capita income in
16 that group of counties. Moneys paid to a municipality pursuant
17 to this subsection (b) shall be used for infrastructure
18 improvement projects within that municipality.

19 (c) If a licensee fails to pay the amount due or underpays
20 by an unjustifiable amount, the Gaming Board shall impose a
21 fine of 5% of the amount due or of the underpayment, as the
22 case may be, for each month or portion of a month the licensee
23 is in default of payment, up to 25% of the amount in default.
24 Any fine imposed upon a licensee shall be paid into that
25 licensee's account within the Depressed Municipalities Fund.

26 (230 ILCS 10/23) (from Ch. 120, par. 2423)

27 Sec. 23. The State Gaming Fund. On or after the effective
28 date of this Act, all of the fees and taxes collected pursuant
29 to subsections of this Act, except tax revenue collected
30 pursuant to Section 13.2, shall be deposited into the State
31 Gaming Fund, a special fund in the State Treasury, which is
32 hereby created. The adjusted gross receipts of any riverboat
33 gambling operations conducted by a licensed manager on behalf
34 of the State remaining after the payment of the fees and
35 expenses of the licensed manager shall be deposited into the

1 State Gaming Fund. Fines and penalties collected pursuant to
2 this Act shall be deposited into the Education Assistance Fund,
3 created by Public Act 86-0018, of the State of Illinois.

4 (Source: P.A. 93-28, eff. 6-20-03.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.